

Office of Personnel Management

§ 870.202

§ 870.105 Initial decision and reconsideration.

(a) An individual may ask his or her agency or retirement system to reconsider its initial decision denying:

- (1) Life insurance coverage;
- (2) The opportunity to change coverage;
- (3) The opportunity to designate a beneficiary; or
- (4) The opportunity to assign insurance.

(b) An employing office's decision is an initial decision when the employing office gives it in writing and informs the individual of the right to an independent level of review (reconsideration) by the appropriate agency or retirement system.

(c) A request for reconsideration must be made in writing and must include the following:

- (1) The employee's (or annuitant's) name, address, date of birth;
- (2) The reason(s) for the request; and
- (3) The retirement claim number (Civil Service Annuity Claim Number) or compensation number, if applicable.

(d) A request for reconsideration must be made within 31 calendar days from the date of the initial decision (60 calendar days if overseas). This time limit may be extended when the individual shows that he or she was not notified of the time limit and was not otherwise aware of it or that he or she was unable, due to reasons beyond the individual's control, to make the request within the time limit.

(e) The reconsideration must take place at or above the level at which the initial decision was made.

(f) After reconsideration, the agency or retirement system must issue a final decision to the insured individual. This decision must be in writing and must fully state the findings.

[75 FR 60576, Oct. 1, 2010]

Subpart B—Types and Amount of Insurance

§ 870.201 Types of insurance.

(a) There are two types of life insurance under the FEGLI Program: Basic and Optional.

(b) There are three types of Optional insurance: Option A (standard optional

insurance), Option B (additional optional insurance), and Option C (family optional insurance).

§ 870.202 Basic insurance amount (BIA).

(a)(1) An employee's Basic insurance amount (BIA) is either:

(i) The employee's annual rate of basic pay, rounded to the next higher thousand, plus \$2,000; or

(ii) \$10,000; whichever is higher, unless the employee has elected a Living Benefit under subpart K of this part. Effective for pay periods beginning on or after October 30, 1998, there is no maximum BIA. **Note:** If an employee's pay is "capped" by law, the amount of the Basic insurance is based on the capped amount, which is the amount the employee is actually being paid. It is not based on the amount the employee's pay would have been without the pay cap.

(2) The BIA of an individual who is eligible to continue Basic Life insurance coverage as an annuitant or compensation beneficiary is the BIA in effect at the time his/her insurance as an employee would stop under § 870.601.

(b) An employee's BIA automatically changes whenever annual pay is increased or decreased by an amount sufficient to raise or lower pay to a different \$1,000 bracket, unless the employee has elected a Living Benefit under subpart K of this part.

(c) The amount of an employee's Basic Life insurance coverage is equal to his/her BIA multiplied by the appropriate factor based on the employee's age, as follows:

Age	Factor
35 or under	2.0
36	1.9
37	1.8
38	1.7
39	1.6
40	1.5
41	1.4
42	1.3
43	1.2
44	1.1
45 or over	1.0

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